

## Assembly Bill No. 427

### CHAPTER 129

An act to amend Sections 180201 and 180204 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 27, 2003. Filed with  
Secretary of State July 28, 2003.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 427, Longville. Local transportation sales taxes.

The Local Transportation Authority and Improvement Act generally authorizes a county board of supervisors to create or otherwise designate a transportation authority in the county that may impose a transportation sales tax for not more than 20 years if the tax ordinance is adopted by a  $\frac{2}{3}$  vote of the authority and if the ordinance is subsequently approved by a majority of the voters. Existing law also authorizes approval of transportation sales taxes for specific jurisdictions in a similar manner. However, the California Supreme Court has held that a transportation sales tax measure is a special tax that requires approval by a  $\frac{2}{3}$  majority of the voters pursuant to Proposition 62 of 1986. Existing law makes the ordinance operative on the first day of the first calendar quarter commencing more than 120 days after the adoption of the ordinance.

This bill would delete the 20-year limit on the duration of a local transportation sales tax under the general provisions described above and would instead provide that the tax shall remain in effect for the period of time specified in the tax ordinance that is adopted by the authority and approved by the voters. The bill would also make the ordinance operative on the first day of the first calendar quarter commencing more than 110 days after the adoption of the ordinance.

*The people of the State of California do enact as follows:*

SECTION 1. Section 180201 of the Public Utilities Code is amended to read:

180201. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be imposed by the authority in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if the tax ordinance is adopted by a two-thirds vote of the authority and imposition of the tax is subsequently approved by a majority of the electors voting on the measure, or by any otherwise

applicable voter approval requirement, at a special election called for that purpose by the board of supervisors, at the request of the authority, and a county transportation expenditure plan is adopted pursuant to Section 180206.

A retail transactions and use tax approved by the electors shall remain in effect for the period of time specified in the tax ordinance. The tax may be continued in effect, or reimposed, by a tax ordinance adopted by a two-thirds vote of the authority and the reimposition of the tax is approved by any applicable majority of the electors.

SEC. 2. Section 180204 of the Public Utilities Code is amended to read:

180204. (a) Any transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first calendar quarter commencing more than 110 days after adoption of the ordinance.

(b) Prior to the operative date of the ordinance, the authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of the ordinance.

